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**From:** rgentzler=okpolicy.org@mail.salsalabs.net  
**Sent:** Wednesday, February 17, 2016 6:49 AM  
**To:** Marshall, Joyce Y.  
**Subject:** [In The Know] Oklahoma panel led by Fallin certifies \$1.1 billion hole

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## Today In The News

**Oklahoma panel led by Fallin certifies \$1.1 billion hole:** Gov. Mary Fallin defended a recently enacted cut in Oklahoma's top individual income tax rate, even as a state board she leads certified on Tuesday that the Oklahoma Legislature will have a \$1.1 billion hole in next year's budget. The State Board of Equalization certified a projection for how much money will be available in the state's General Revenue Fund for lawmakers to spend on the fiscal year that begins July 1. The deficit actually will be closer to \$1.3 billion, or about 20 percent of overall appropriations, once one-time funds are considered, including about \$120 million from the state's Rainy Day Fund that was used to close a budget gap last year [[Associated Press](#)]. Read our coverage of the shortfall [[OK Policy](#)].

**The tax shift rears its head:** Last week the Oklahoma Senate Finance Committee approved SB 977, a bill that would suspend 23 tax credits for the

next two years as a way to partially address the state's massive budget shortfall. While the bill targets numerous credits, a large majority of the impact would come from ending three important tax credits for low- and moderate-income working families — Oklahoma's Earned Income Tax Credit (EITC), Sales Tax Relief Credit, and Child Tax Credit/Child Care Tax Credit. The Senate Finance Committee has also approved SB 917 and SB 918, which would sunset the Earned Income Tax Credit and Sales Tax Relief Credit after 2017 if they are not reinstated by the Legislature [[OK Policy](#)].

### **No going back on income tax reduction, Oklahoma Gov. Fallin**

**says:** Oklahoma has a \$1.3 billion hole in its next budget, but one thing's for sure, Gov. Mary Fallin said Tuesday. There will be no reversing a state income tax cut that went into effect at the start of this year. The cut in the top income tax rate from 5.25 percent to 5 percent saves about \$35 a year for taxpayers with annual incomes of \$40,000 to \$44,999. Estimates indicate the reduction will cost the state about \$50 million in the current fiscal year and \$120 million in the 2017 fiscal year, which begins July 1 [[NewsOK](#)].

**SoonerCare saved for private counselors:** After an outcry from parents and providers, Gov. Mary Fallin stopped a planned SoonerCare cut to behavioral health counselors because it wouldn't have saved money. The state agencies overseeing mental health and the Medicaid program had plans to end reimbursement for private practice behavioral health counselors at a meeting last week, but chose to wait until a permanent rule could be adopted. The rule would have allowed clients on Medicaid, also known as SoonerCare, to receive counseling only through an approved agency. It would have ended payments to private-practice counselors [[Journal Record](#)].

**Bill would convey \$59.7M in road funds to Oklahoma's general fund:** A bill that cleared a legislative committee on Tuesday would take \$59.7 million from the state's road and bridge fund to help close a huge hole in the state budget. State Sen. Ervin Yen, R-Oklahoma City, said this money represents an automatic increase in a fund that will still contain \$471 million for a program funding a series of projects over an eight-year period [[NewsOK](#)].

## **Backers of Oklahoma education sales tax launch petition**

**drive:** Supporters of a penny sales tax to immediately address Oklahoma's "education emergency" launched a 90-day statewide signature drive Tuesday at the Oklahoma City headquarters of Oklahoma's Children — Our Future. "We the people have a chance to make a huge difference in the future of the state and the future of the lives of all the children ... by letting the people vote on a real comprehensive solution for education," University of Oklahoma President David Boren said [[NewsOK](#)]. Read our statement on the proposed ballot initiative [here](#).

**A Week of Gains for School Choice Efforts:** School choice advocates scored major and incremental victories this week in their efforts to secure legal permission to use public education funds to pay for sending students to private schools, including religious ones. On Tuesday, the Oklahoma Supreme Court ruled that the Lindsey Nicole Henry Scholarship program, which allows parents to spend state funds to place disabled children in a private school, is not a violation of the state Constitution's ban on using public money to benefit any church or religion. The day before, a state House committee narrowly approved a bill to create education savings accounts, another voucher-type program that, when fully implemented, would allow parents to use state funds to pay for private school costs [[Oklahoma Watch](#)].

**Oklahoma Superintendents: No More Funding Cuts To Schools:** With the state facing an estimated \$1.3 billion shortfall, there will be deep cuts. Leaders of Oklahoma's two largest school districts met Tuesday with lawmakers asking to be spared. Neu said the district has weathered too many cuts as it is, and any more could lead to something drastic like a shortened school calendar to save money [[News9](#)].

**Oklahoma subcommittee advances school anti-abortion bill:** An Oklahoma legislative subcommittee has advanced a bill that requires public schools to tell high school students that life begins at conception. But the bill's sponsor, Republican Rep. Ann Coody of Lawton, says that even if the

measure becomes law, it could not be implemented this year because of budget constraints. However, she says that the Legislature could make its stance known on abortion by passing it [[Associated Press](#)].

**Government cowardice to blame for Oklahoma's mess:** Don't blame politics for Oklahoma's current state fiscal crisis and inability to adequately provide teachers for its school children. Governmental cowardice is to blame. Oklahoma's governor and Legislature will not fulfill their basic obligation to fund essential services. So bad ideas to produce funding for these obligations of state government are now being thrown against the wall to see if anything might stick [[James Frasier / Tulsa World](#)].

**Crime may increase with budget cuts, OKC police chief says:** Crime likely would increase if cutbacks hit spending that pays to saturate high-crime areas with police officers, Police Chief Bill Citty told the city council Tuesday. Citty said Oklahoma City had recorded a 17 percent decrease in aggravated assaults since 2012, when 3,791 were reported, a near record. Final numbers for 2015 are expected to be 3,139, he said. The decrease in aggravated assaults has coincided with additions by the city council to the number of authorized positions on the police force [[NewsOK](#)].

**Cuts in Wastewater Injection Are Sought:** State oil and gas regulators on Tuesday issued their most far-reaching directive yet in response to a surge in earthquakes, asking operators of nearly 250 injection wells to reduce the amount of wastewater they inject underground by 40 percent. The Oklahoma Corporation Commission wants operators to reduce injections by more than 500,000 barrels of wastewater daily in an area that covers more than 5,200 square miles of northwest Oklahoma [[Associated Press](#)].

### **Devon Energy to lay off 1,000 workers, 700 in Oklahoma**

**City:** Oklahoma City-based Devon Energy has announced plans to lay off about 1,000 employees — including about 700 in Oklahoma City. The oil and natural gas company said in a statement Tuesday that the layoffs are due to "the current commodity price environment" and an effort to reduce expenses in order to remain financially flexible and competitive. The

company had said in January that layoffs were planned as oil and natural gas prices remain weak [[Fox 23](#)].

## Quote of the Day

"Out of the \$1.3 billion budget shortfall, \$100 million of that is not a big hit."

-Governor Mary Fallin, dismissing calls to reverse the latest tax cut, which is estimated to cost the state \$120 million in FY 2017 ([Source](#))

## Number of the Day

**139,740**

Acres of farmed cotton harvested in Oklahoma in 2012

Source: [USDA](#)

[See previous Numbers of the Day here.](#)

## Policy Note

**Five important facts about homeless youth:** The federal government has set a goal of ending youth homelessness by 2020 with Opening Doors, a strategic plan released in 2010. But as the plan acknowledges, figuring out how many youth are homeless is no easy task. This month, communities across the country will undertake the annual Point-in-Time (PIT) count of homeless adults, families, and youth in an effort to measure the number of sheltered and unsheltered homeless persons on a single night in January. Unfortunately, the PIT count generally undercounts youth experiencing homelessness, so some communities choose to conduct a targeted count of this critically vulnerable population [[Urban Institute](#)].

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